

TRUMP BANKRUPTCIES OR LOAN DEFAULTS RELATED TO REAL ESTATE DEVELOPMENT OR GOVERNMENT CONTRACTS

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A. INTRODUCTORY SUMMARY

Media reports detail multiple bankruptcies by Trump's firms including:

- Trump filed for bankruptcy protection in 1991 when his Atlantic City casino, the Taj Mahal, was buried under a \$3.4 billion of debt.¹
- In 1992, Trump was back in court, again "restructuring" his debt. This time the Trump Plaza Hotel in Atlantic City was in the lenders' crosshairs. Trump owed \$550 million on the hotel.²
- In 2004 Trump Hotels and Casino Resorts Inc. filed for voluntary bankruptcy after accumulating \$1.8 billion in debt.³ One case involving Trump Hotel and Casino Resorts (THCR/LP Corporation, Bankruptcy Petition #: 04-46898-JHW) has a docket sheet alone that is over 300 pages.
- In 2009, Trump Entertainment Resorts filed for bankruptcy protection days after Trump quit the board, listed assets of \$2.06 billion and debt of \$1.74 billion.⁴

Additionally, media reports also detail a history of Trump organizations defaulting on real estate loans and other payments outside of the previously cited bankruptcies including:

- Trump was sued over a loan default on the Trump International Hotel and Tower in Chicago. Deutsche Bank Trust Co. claimed Trump personally owed it \$40 million after defaulting on a \$640 million construction loan.⁵
- Lawyers at the firm of Cook, Heyward, Lee, Hopper & Feehan, P.C. filed the motion with the United States District Court for the Western District of Virginia, claiming that Trump's Trump Vineyard Estates LLC had "failed to meet their financial obligations."⁶
- ALM, now known as ALM Unlimited, argued that Trump improperly halted payments on the agreement in 2008 after 11 consecutive quarters in which the world-famous executive personally signed checks to the firm for its work.⁷

Trump has a history of failing to complete developments including a riverboat casino in Indiana where Trump Resorts was selected by the Indiana Gaming Commission because of "the power of the brand." Trump later pulled out due to a lack of cash. Indiana's governor demanded the resignation of the commission members that chose Trump Resorts for the development.⁸ In

¹ ABCNews.com, 4/21/2011

² ABCNews.com, 4/21/2011

³ ABCNews.com, 4/21/2011

⁴ ABCNews.com, 4/21/2011

⁵ Chicago Tribune, 12/1/2008

⁶ The Daily Progress, 12/6/2011

⁷ USA Today, 7/29/2011

⁸ The Star-Ledger, 3/3/2005

December 2008, The Trump Organization stopped work on a 62-story skyscraper in Dubai after it determined it was no longer commercially viable.⁹

In 2010, lenders foreclosed on Trump Hollywood, a 40-story oceanfront condominium in Florida. Trump distanced himself from the \$355 million project. Though he is listed as a developer on the Trump Hollywood website, he said he simply licensed his name and was not involved in sales.¹⁰

Trump has in recent years become entangled in lawsuits from irate buyers who believed they were misled by Trump and developers he partnered with on various real estate developments that were never built or completed:

- In 2009, thirty buyers of Trump International units at 551 N. Fort Lauderdale Beach Blvd. sued the developers and Trump for allegedly misleading them into thinking the his participation was a sure thing.¹¹
- In 2009, thirty individuals and companies filed a joint lawsuit against The Trump Organization and Donald Trump, saying they were duped into investing millions of dollars in the Trump Tower Tampa in 2005, thinking Trump himself was building the property.¹²
- In 2009, sixty-nine people who paid for units at Trump Ocean Resort Baja Mexico filed suit in Los Angeles County Superior Court against Trump and the developers, accusing them of falsely portraying Trump as the builder.¹³

Additional lawsuits against Trump in recent years involve contract disputes with buyers in Trump Ocean Club in Panama¹⁴ and Trump International Hotel and Tower Waikiki¹⁵.

⁹ Sunday Business Post, 12/28/2008

¹⁰ South Florida Sun-Sentinel, 11/19/2010

¹¹ The Miami Herald, 5/15/2009

¹² Tampa Tribune, 11/14/2009

¹³ Los Angeles Times, 5/5/2009

¹⁴ USA Today, 7/29/2011

¹⁵ The Honolulu Advertiser, 7/14/2009

B. TRUMP BANKRUPTCIES

What follows are media reports regarding Trump bankruptcies or loan defaults related to real estate development or government contracts as they have been reported in the press beginning in 1991. These reports contained unedited quotes of the media. For example, Mr. Trump is referred to in these documents as “The Donald” which counsel from Metropolitan would not do. We offer these press reports to demonstrate the breadth of bankruptcies and loan defaults that Trump should have disclosed pursuant to the requirement in the RFP described in page _____. To the extent that the list described here is not included in the Trump proposal to GSA, then Trump failed to make the disclosures that were required under the RFP.

Donald Trump -- or companies that bear his name - have declared bankruptcy multiple times

Trump has built an American empire from Las Vegas to New York with towering hotels and sparkling casinos. Forbes estimates he's worth \$2.7 billion. But not all of Trump's business ventures have been constant money-makers. In 1991, 1992, 2004, and again in 2009, Trump branded companies or properties have sought Chapter 11 protection.¹⁶

Trump first filed for bankruptcy in 1991 with \$3.4 billion in debt

The big business man has wrangled with big debt in the past 20 years. Trump's first visit to bankruptcy court was in 1991, when his Atlantic City casino, the Taj Mahal, was buried under a mountain of debt. The Taj carried a \$1 billion price tag and was financed by junk bonds carrying a staggering 14 percent interest rate. As construction completed, the economy slumped, as did the Atlantic City gambling scene, soon plunging Trump into \$3.4 billion of debt.¹⁷

Trump struck a deal with his creditors, but was forced to sell off Trump Shuttle and Trump Princess

"[The banks] could have simply taken everything he had right then, but they wanted his cooperation," said Lynn LoPucki, a bankruptcy expert and professor at UCLA Law School. "There's that old saying, 'If you owe your banks a little, you're at their mercy. If you owe the banks a lot, the banks are at your mercy. They saw the best way for him to repay the money was to keep the Donald afloat.'"

The Donald struck a deal with the banks to hand over half his ownership, and half of the equity, in the casino in exchange for a lower interest rate and more time to pay off his debt. He sold off his beloved Trump Princess yacht and the Trump Shuttle airplane to make his payments, and his creditors put him on a budget, putting a cap on his personal spending.¹⁸

One year after making a deal with creditors, Trump was back in court again “restructuring” his debt

Just one year after the Taj Mahal deal was struck. Trump was back in court, again "restructuring" his debt. This time the Trump Plaza Hotel in Atlantic City was in the lenders' crosshairs. Trump owed \$550 million on the hotel and agreed to give up 49 percent of the hotel to Citibank and five other

¹⁶ ABCNews.com, 4/21/2011

¹⁷ ABCNews.com, 4/21/2011

¹⁸ ABCNews.com, 4/21/2011

lenders. In return, Donald Trump was given a similar deal as before, with more lenient conditions to repay the debt. The Donald stayed on as chief executive, but his salary was taken away.

"Here's a guy who's failed so miserably so many times and it's not as though he had to claw his way back after seven years in credit hell. He just said. 'OK, this isn't my problem anymore.' For him, it's just been a platform to the next money-making scheme," said Dough Heller, the executive director of Consumer Watchdog.¹⁹

Bondholders have reportedly lost tens of millions in Trump's ventures

A peek behind the curtain of Trump hyperbole suggests a different story. Two of his casinos lost money for much of last year, and they still carry enormous debt. Bankers and some bondholders have lost tens of millions of dollars in Trump's ventures. It's unclear whether Trump himself has enough money for a major new project, although he claims otherwise.²⁰

In 2004, Trump Hotels and Casino Resorts filed for voluntary bankruptcy

In 2004 Trump Hotels and Casino Resorts Inc. filed for voluntary bankruptcy after accumulating \$1.8 billion in debt. The Donald agreed to reduce his share in the company from 47 percent to 25 percent, meaning he no longer had control over the company. The deal also included lower interest rates and a \$500 million loan to make improvements.²¹

In 2008, Trump Entertainment Resorts missed a \$53.1 million bond interest payment

When the economy turned downward in 2008, so too did Trump's real estate holdings. Trump Entertainment and his affiliated companies had \$2.06 billion in assets and was \$1.74 billion in debt. In December 2008 his company missed a \$53.1 million bond interest payment, propelling Trump Entertainment Resorts into bankruptcy court and plunging its stock price from \$4 per share to a mere 23 cents.

This time, Trump fought with his board of directors over the restructuring and ended up resigning as chairman of the board. He emerged from a messy, months-long process with a 10 percent share of the company.

LoPucki said it was very unusual for anyone to have that many large businesses go through bankruptcy. Most of the debt Trump incurred was through bonds that were sold to the public.

"People knew who Donald Trump was and for that reason were willing to trust the bonds, and they got burned," LoPucki said. "The people who invested with him or based on his name lost money, but he himself came out pretty well."

In 2009, Trump Entertainment Resorts filed for bankruptcy protection

Trump Entertainment Resorts Inc. filed for bankruptcy protection overnight before the casino operator's bondholders could present an involuntary petition.

¹⁹ ABCNews.com, 4/21/2011

²⁰ Los Angeles Times, 2/14/1994

²¹ ABCNews.com, 4/21/2011

The Chapter 11 petition, filed days after founder Donald Trump quit the board, listed assets of \$2.06 billion and debt of \$1.74 billion as of Dec. 31, according to the filing today in U.S. Bankruptcy Court in Camden, New Jersey. This is the third time Trump's casinos have sought protection from creditors.²²

Creditors were owed \$1.31 billion

The 20 largest creditors without collateral backing their claims are owed about \$1.32 billion, according to court papers. U.S. Bank National Association, as trustee for bondholders, is listed as the largest unsecured creditor with a claim of \$1.31 billion.

Other unsecured creditors include Bovis Lend Lease Inc., with a claim of \$7.47 million; Thermal Energy Limited 1, with a claim of \$1.86 million; Hess Corp., with a claim of \$1.36 million; and Casino Control Fund, with a claim of \$1.15 million.

Gambling revenue in Atlantic City fell a record 7.6 percent in 2008, its second annual decline, amid the recession and slot-machine competition from Pennsylvania and New York.

Trump Entertainment said Dec. 1 it would skip its interest payment to conserve cash and hold talks with lenders on restructuring its finances. Holders of most of the company's \$1.25 billion in notes and Beal Bank Nevada, which is owed \$490 million, agreed not to exercise default rights for interest or principal payments until 9 a.m. New York time today, a target they had extended four times.²³

Trump emerged from the 2009 bankruptcy with a 10 percent share of the company

He emerged from a messy, months-long process with a 10 percent share of the company.²⁴

²² Bloomberg News, 2/17/2009

²³ Bloomberg News, 2/17/2009

²⁴ ABCNews.com, 4/21/2011

C. TRUMP LOAN DEFAULTS AND FAILURE TO PAY

TRUMP INTERNATIONAL HOTEL AND TOWER IN CHICAGO

Deutsche Bank sued Trump claiming he defaulted on a \$640 million construction loan

Deutsche Bank Trust Co. Americas ratcheted up its battle with Donald Trump, claiming the hard-charging developer personally owes it \$40 million after defaulting on a \$640 million construction loan for Trump International Hotel & Tower in Chicago.

On Friday, Deutsche, the main lender on Trump's development alongside the Chicago River, filed suit against Trump in New York State Supreme Court in Manhattan.²⁵

Deutsche Bank sued Trump for \$40 million that he personally guaranteed on a construction loan. Trump countersued the Bank for \$3 billion for "damaging his reputation"

The project is the Trump International Hotel and Tower in Chicago, which is to be the second-tallest building in that city after the Sears Tower. By Trump's account, sales were going great until "the real estate market in Chicago suffered a severe downturn" and the bankers made it worse by "creating the current financial crisis."

Those assertions are made in a fascinating lawsuit filed by Trump, the real estate developer, television personality and best-selling author, in an effort to get out of paying \$40 million that he personally guaranteed on a construction loan that Deutsche Bank says is due and payable.

Rather than his having to pay the \$40 million, Trump thinks the bank should pay him \$3 billion for damaging his reputation.²⁶

Deutsche Bank eventually extended the term of the loan, but another loan to Trump on the project extended by the Fortress group left Fortress with a loss

He deviated from this strategy with just a few projects, most notably the Chicago tower, which broke ground in 2004 near the height of the housing boom and cost about \$US850m to construct.

With easy credit available, Mr. Trump loaded the project up with a \$US640m construction loan from Deutsche Bank and \$US130m of junior debt originated by Fortress.

Both firms later sold most of these loans to other investors.

The project initially looked like a success. Mr. Trump raised asking prices on the residential condos and started paying down loans. But after the recession hit, condo sales slowed, leaving Mr. Trump without enough cash to pay the \$US334m balance on his construction loan when it matured in late 2008. Mr. Trump and Deutsche Bank traded lawsuits before the bank in 2009 agreed to extend the term of the loan -- which currently has a balance of about \$US125m -- until the end of July next year.

²⁵ Chicago Tribune, 12/1/2008

²⁶ The International Herald Tribune, 12/5/2008

But that still left the problem of the loan from the Fortress group, which was steadily growing as it accrued interest. Given the decline in condo sales and prices, it became increasingly clear that Mr. Trump would have a difficult time paying it back when it came due in about three years. Failure to do so would have put the project at risk of foreclosure.

Mr. Trump's deal to buy that junior debt hits Fortress with a loss but leaves the Chicago tower with a much more manageable amount of debt.

Brokers say the downtown in the Chicago condo market is improving. But the Trump project faces competition from other new developments. There are 2400 condos on the market, which will take two to three years to sell, according to Appraisal Research.²⁷

In court filings, Deutsche Bank claimed "Trump is no stranger to overdue debt" and quoted excerpts from a Trump book where he mocked banks that had lost money on loans made to him: "I figured it was the banks' problem, not mine."

The bank seized on the opportunity to discuss Trump's reputation. "Trump is no stranger to overdue debt," it said in asking that his suit be thrown out of court. It noted that Trump's casino operations had filed for bankruptcy twice.

The Friday after Thanksgiving was not a really good one for Trump. Trump Entertainment Resorts, the casino company, announced it would miss an interest payment on its bonds, raising the likelihood of a third bankruptcy. Most of the shares are publicly owned, having been distributed to creditors in the previous bankruptcy. They have fallen from a peak of \$23.80 two years ago to about 25 cents now.

On the same day, in New York, Deutsche Bank asked a judge to issue a summary judgment requiring Trump to pay the \$40 million.

In that filing, the bank quoted from a best-selling book Trump wrote last year, "Think Big and Kick Ass in Business and in Life." In it, the developer said he loved "to crush the other side and take the benefits" and mocked the banks that had lost money on loans made to him before another real estate downturn, in the 1990's:

"I figured it was the banks' problem, not mine."

If Trump manages to persuade a judge that the current crisis provides him with a good reason not to meet his obligations, he will have some great tales to tell in his next book.²⁸

²⁷ The Australian, 3/29/2012

²⁸ The International Herald Tribune, 12/5/2008

TRUMP FAILURES TO PAY

Trump was sued for improperly halting payments on a clothing industry licensing agreement

His company hired ALM International, a New York City-based firm, in 2003 to seek clothing industry licensing deals for the Trump brand, court records in the case show. ALM helped arrange a meeting that ultimately led apparel giant PVH, formerly known as Phillips-Van Heusen, to license Trump's name for a line of dress shirts and formal neckwear.

ALM, now known as ALM Unlimited, argues that Trump improperly halted payments on the agreement in 2008 after 11 consecutive quarters in which the world-famous executive personally signed checks to the firm for its work.²⁹

A legal team representing a Trump organization filed a motion to withdraw from a lawsuit claiming Trump "failed to meet their financial obligations"

The team representing Donald Trump's Trump Vineyard Estates LLC and Trump Virginia Acquisitions LLC has filed a motion to withdraw from an Albemarle County-based lawsuit against Bank of America.

Lawyers at the firm of Cook, Heyward, Lee, Hopper & Feehan, P.C. filed the motion with the United States District Court for the Western District of Virginia on Friday, claiming that the defendants have "failed to meet their financial obligations."

The filing also said that it would be "a financial hardship" upon the firm "to require them to continue to represent Trump without being paid."³⁰

TRUMP HOLLYWOOD

Lenders foreclosed on the \$355 million Trump Hollywood project

Lenders have foreclosed on Trump Hollywood, a 40-story oceanfront condominium unveiled last year by Jorge Perez and Donald Trump.

The move is the latest blow for the high-profile development duo amid the worst housing bust in decades.

Prices in the lavish project ranged from \$1.3 million to \$7 million. In August 2009, Perez said he had commitments from buyers for more than two-thirds of the units, but there were closings on only 25 of the 200 condos.

Analysts doubted Perez and Trump could sell the digs featuring Italian cabinetry and wine fridges when condo buyers are looking for bargains.³¹

²⁹ USA Today, 7/29/2011

³⁰ The Daily Progress, 12/6/2011

³¹ South Florida Sun-Sentinel, 11/19/2010

Trump distanced himself from the project though he is listed as a developer on the Trump Hollywood website

Trump on Thursday distanced himself from the \$355 million project. Though he is listed as a developer on the Trump Hollywood website, he said he simply licensed his name and was not involved in sales.³²

Trump Hollywood was sold to BH III for \$9.4 million less than the remaining mortgage

BH III followed up on its purchase of the mortgage on 175 units at Trump Hollywood with an uncontested bid of \$100 to take title. BH III reportedly paid \$160 million to purchase the loan from HSBC Realty.

The price works out to an average of \$914,285 a unit, compared with listed prices of \$933,900 to \$2.87 million on Sunny Realty's website.

The online auction followed Miami-based Related Group's previously announced plan to turn over the 175 unsold units in the beachfront tower to BH III. To clear out any liens on the property, the process is being done through an uncontested foreclosure lawsuit.

According to the judgment, the \$226.6 million mortgage from 2007 had \$169.4 million remaining. With interest, it was a \$173.3 million foreclosure judgment against TRG Holiday in favor of Orange Bowl Eastern II, an affiliate of BH III.³³

³² South Florida Sun-Sentinel, 11/19/2010

³³ The South Florida Business Journal, 4/7/2011

D. TRUMP FAILURE TO COMPLETE PROJECTS

TRUMP IN INDIANA

Trump Hotels and Casino was selected to develop a riverboat casino in Indiana because of the “power of the brand”

Trump Resorts \$1.50 +\$0.08 When Donald Trump beat out Larry Bird last year for the chance to build a riverboat casino in the NBA legend's hometown of French Lick, Ind., Trump called it "a great honor." Trump Hotels and Casino Resorts was selected because of "the power of the brand," Trump said at the time. What it did not have was the cash. The company, struggling under \$1.8 billion of debt, later filed for Chapter 11 bankruptcy protection.³⁴

Struggling under \$1.8 billion in debt, the company later filed for Chapter 11 bankruptcy protection and backed out of the deal

But even before the review was completed, Trump Resorts announced yesterday it was pulling out of French Lick. Citing "onerous" taxes and the possibility of better opportunities cropping up elsewhere in Indiana, Trump Resorts Chief Operating Officer Scott Butera said the company and the state of Indiana "mutually decided to stop exclusive negotiations" for the riverboat casino.³⁵

Indiana’s governor demanded the resignation of the commission members that chose Trump Resorts

Since then, the selection of Trump Resorts has been a source of controversy in Indiana, where a new governor has demanded the resignation of commission members that chose Trump Resorts and a new gaming chief has ordered a review of the company's finances and its ability to complete the project.³⁶

TRUMP DUBAI

The Trump Organization stopped work on a 62-story skyscraper in Dubai after it determined it was no longer commercially viable

In Dubai, the Trump Organisation has stopped work on a 62-storey skyscraper due to be built on one of the palm tree shaped artificial islands in the Arabian Gulf. The development was designed to be a luxury hotel and apartment complex, with the penthouse suite earmarked for Trump himself. Thanks to the collapse in demand from the wealthy expatriates who flocked to Dubai in recent years, however, the project is no longer commercially viable.³⁷

³⁴ The Star-Ledger, 3/3/2005

³⁵ The Star-Ledger, 3/3/2005

³⁶ The Star-Ledger, 3/3/2005

³⁷ Sunday Business Post, 12/28/2008

E. INVESTORS SUE TRUMP OVER LICENSING AGREEMENTS AND DEVELOPMENT

TRUMP INTERNATIONAL HOTEL AND TOWER FORT LAUDERDALE

Thirty buyers of Trump International units at 551 N. Fort Lauderdale Beach Blvd. are suing the developers and Trump for allegedly misleading them into thinking the his participation was a sure thing

Thirty buyers of Trump International units at 551 N. Fort Lauderdale Beach Blvd. are suing the developers and Trump for allegedly misleading them into thinking the TV star's participation was a sure thing. Though sales contracts identify the project as the SB Fort Lauderdale Hotel & Condominium and state that Trump can withdraw from the licensing deal, the suit claims that marketing materials suggested Trump was on board as a developer.

"Everybody thought they were buying into Trump Tower," said Joseph Altschul, the Fort Lauderdale lawyer who filed the suit in Broward County Circuit Court.

The suit claims plaintiffs "paid a premium for a condominium unit with the Trump name purportedly attached to it," reads the suit filed in Broward County Circuit Court. The project's website described it Thursday as "a signature development by Donald J. Trump."³⁸

Some buyers claim they were misled on Trump's involvement in the Fort Lauderdale tower and lost \$100,000 deposits

Those who bought the apartments in part because of the Trump name were livid, saying they felt a profound sense of betrayal, and more than 300 of them are now suing Mr. Trump or his company.

"The last thing you ever expect is that somebody you revere will mislead you," said Alex Davis, 38, who bought a \$500,000 unit in Trump International Hotel and Tower Fort Lauderdale, a waterfront property that Mr. Trump described in marketing materials as "my latest development" and compared to the Trump tower on Central Park in Manhattan.

"There was no disclaimer that he was not the developer," Mr. Davis said. The building, where construction was halted when a major lender ran out of money in 2009, sits empty and unfinished, the outlines of a giant Trump sign, removed long ago, still faintly visible.

Mr. Davis is unable to recover any of his \$100,000 deposit -- half of which the developer used for construction costs.

Another casualty: his admiration for Mr. Trump, whose books and television show Mr. Davis had devoured. "I bought into an idea of him," he said, "and it wasn't what I thought it was."³⁹

³⁸ The Miami Herald, 5/15/2009

³⁹ The New York Times, 5/13/2011

TRUMP TOWER TAMPA

30 individuals and companies filed a lawsuit against The Trump Organization claiming they were duped into investing millions of dollars in the Trump Tower Tampa

More lawsuits are piling up in the wake of the failed Trump Tower Tampa.

This week, 30 individuals and companies filed a joint lawsuit against The Trump Organization and Donald Trump, saying they were duped into investing millions of dollars in the project in 2005, thinking Trump himself was building the property.

"In truth," the lawsuit claims, Trump "only sold the 'Trump' name to use in inducing buyers to purchase units," in the 52-story tower that would have gone up at 103 Ashley St.

The real developer was SimDag/Robel LLC, something not fully revealed until 2007, and Trump was merely leasing his name to the project, they say in a lawsuit filed in Hillsborough County Circuit Court. That arrangement only became public in May 2007 amid media reports, the suit notes, and Trump himself sued SimDag in May 2007, seeking "millions of dollars in unpaid fees" from his name-leasing arrangement.⁴⁰

Trump sued the developers for unpaid fees and not completing the tower

The developers of the failed Trump Tower Tampa just can't shake The Donald.

Their dream to build the 52-story downtown luxury condominium along the Hillsborough River died years ago, but their legal troubles live on.

Now, Donald Trump has sued four of the principals in the development company, SimDag/Robel LLC. Trump sued the group in 2007 for unpaid fees and for not completing the tower.

A settlement agreement was reached in that case, but the defendants have stopped making payments, according to a suit filed Thursday in U.S. District Court in Tampa.

"It's our effort to recover what the defendants have already agreed to pay," said Trump's attorney, Chris Griffin, of Foley & Lardner. "It's really that simple."

Parties named in the suit are Frank Dagostino, Robert Lyons, Patrick Sheppard and Jody Simon. Each, according to the suit, owes Trump \$13,448. With fees that continue to accrue, Trump wants each of them to pay nearly \$63,500 plus attorney costs.⁴¹

The property was eventually sold for less than a third of the price paid by the original developer for the failed condo tower

There may never be a Trump Tower Tampa, but the downtown riverfront property known by that name may finally become home to something other than parched dirt and tall weeds.

⁴⁰ Tampa Tribune, 11/14/2009

⁴¹ Tampa Tribune, 12/8/2009

The high-profile land, which includes the CapTrust Building, sold to a local development group for \$5 million.

That's a bargain from the \$16 million paid in 2004 by the original developer for the failed condo tower.

The new owner is Brownstone Tampa Partners, an investment partnership of O,R&L Facility Services, Owens Realty Network and Community Reinvestment Partners II, LP, a joint venture investment fund of Forge Capital Partners, LLC and DeBartolo Development, LLC.⁴²

Trump said that buyer “were better off losing their deposit” on the Trump Tower Tampa

Mr. Trump and his advisers seem unapologetic about how they handled the three deals. Asked, in a deposition with lawyers for the Tampa buyers, if he would be responsible for any shoddy construction, Mr. Trump replied that he had “no liability,” and said that he was unsure whether his licensing arrangements were disclosed to buyers. Pressed during the deposition as to why he did not return his license fee after the development fell apart, Mr. Trump replied: “Well, because I had no obligation to the people that signed me to give it back.”

But what has most galled people like Mr. Robbins, who sank much of their life savings into their dream homes, was Mr. Trump's suggestion that the collapse of the project was a blessing -- because it had allowed buyers to avoid the housing crash and the resulting plunge in home values.

“They were better off losing their deposit,” Mr. Trump said.

“Better off?” asked Mr. Robbins, who lost \$75,600, the half of his deposit spent on construction.

“No. I would be better off if he had been truthful and honest with us from the beginning. I would be better off if he returned my deposit.

“But he will never do that. He is looking out for Donald Trump and the dollar.”⁴³

⁴² Tampa Tribune, 6/23/2011

⁴³ The New York Times, 5/13/2011

TRUMP OCEAN RESORT BAJA MEXICO

Angry buyers are suing Trump for failing to complete the Trump Ocean Resort Baja Mexico
Waves crash against a rocky shore while a couple stroll hand in hand on the beach. Poolside, a bartender is mixing up a batch of margaritas.

Then comes Donald Trump, smooth and confident, singing the praises of the new Trump Ocean Resort Baja Mexico north of Rosarito Beach, an area he touts as "the next Cabo."

"I'm very proud of the fact that when I build, I have investors that follow me all over," he says in the eight-minute marketing video produced for potential buyers. "They invest in me. They invest in what I build, and that's why I'm so excited about Trump Ocean Resort.

"This is going to be something very, very special."

So special that 80% of the first phase sold within hours in a 2006 presale. Many of the buyers were Southern California residents looking for affordable oceanfront vacation property.

But three years later, the only progress is a gigantic hole in the ground and a heap of dirt.

Instead of a 525-unit luxury vacation home complex with pools and tennis courts, this project is shaping up to be a legal battle of Trump proportions.

Dozens of angry buyers have sued Trump for failing to complete the project. He, in turn, sued the Los Angeles-based builders, saying he had only lent his name to the project, and it was the developers who allowed the project to fail.⁴⁴

Developers notified buyers that they had spent their \$32 million in deposits, buyers filed suit against Trump and the developers accusing them of falsely portraying Trump as the builder
In February, the developers notified buyers that they had spent their deposits -- \$32 million -- and were abandoning the project because they could not obtain financing to finish it.

Sixty-nine people who paid for units at Trump Ocean Resort Baja Mexico filed suit in March in Los Angeles County Superior Court against Trump and the developers, accusing them of falsely portraying Trump as the builder. Although the project was to be in Mexico, the suit seeks to apply U.S. law because the properties were marketed and sold here.⁴⁵

Trump backed out of the project and said buyers who lost their investments would have to speak to the developer

In January, Trump backed out of the project after it became clear that the developers were not going to complete it.

⁴⁴ Los Angeles Times, 5/5/2009

⁴⁵ Los Angeles Times, 5/5/2009

"This was not a deal where I could control things," Trump told The Times. "I am personally looking into it."

As for buyers who appear to have lost their investments, Trump said: "They'll have to speak to the developer."⁴⁶

⁴⁶ Los Angeles Times, 5/5/2009

F. INVESTORS SUE OVER DEVELOPER CONTRACT DISPUTES WITH TRUMP PROPERTIES

TRUMP OCEAN CLUB PANAMA

Buyers who lost money when they placed deposits on units at the Trump Ocean Club in Panama sued Trump over a contract dispute

A federal lawsuit in Palm Beach charges that many prospective buyers lost money when they placed deposits on units at the Trump Ocean Club, a 70-story, sail-shaped condominium-hotel in Panama that opened this month.

Court papers filed by the would-be buyers argue the Trump Organization originally said it would provide 70% financing to investors who put down 30% deposits. The buyers argue they were also told that those who bought two condo units could resell one at a profit before they would be required to close on the first purchase.

Both incentives were withdrawn, said Roderick Flynn Coleman, the lawyer who filed the case against Trump. Coleman said Trump also canceled plans for his organization to manage the hotel and a casino at the site.

"If this were in the United States ... if there were substantial changes like this that affect the contract, you'd have the right to cancel," said Coleman.

The court dismissed the case based on Trump's argument that the purchase agreements included a stipulation that "any dispute ... will be subject ... to the courts of Panama." The ruling, which Coleman is appealing, allows the would-be buyers to refile the case if the Panamanian legal system deprives them of any chance to recover alleged damages.⁴⁷

TRUMP INTERNATIONAL HOTEL AND TOWER WAIKIKI

Buyers of units in the Trump International Hotel and Tower Waikiki sued the developers for misleading buyers by describing Trump as a co-developer

In a further sign of the struggling economy, the developers of the upscale Trump International Hotel & Tower Waikiki have been hit by two lawsuits by buyers wanting to get out of their purchases.

The first suit, filed in state Circuit Court yesterday morning on behalf of 11 Mainland and local buyers, alleged that California-based Irongate Capital misled buyers by describing mega dealmaker Donald Trump in its press releases as a co-developer of the 464-room condotel even though he is only licensing his name to the project.

⁴⁷ USA Today, 7/29/2011

A separate lawsuit, which was filed in Honolulu federal court about an hour after the first, nine other buyers accused Irongate of defrauding buyers by misleading them about who is going to manage the rentals of condotel units to tourists.⁴⁸

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⁴⁸ The Honolulu Advertiser, 7/14/2009